

The complaint

Mr H complains about the conditions UK Insurance Limited (UKI) used to decline his claim under his home insurance policy.

What happened

Mr H made a claim for carpets that he said he had to throw out due to an unanticipated deluge of maggots in his property. UKI declined Mr H's claim as it said that the infestation of maggots was not covered by the terms and conditions of the policy.

Mr H complained to UKI as he believed that the definition of what is excluded under the terms and conditions of the policy, meant that maggots were covered, as they did not fall under any of the headings within the exclusion.

In its final response, UKI maintained that it had correctly declined his claim as maggots fell under the broader definition of insects. It also apologised for the slight delay in registering Mr H's claim.

Mr H wasn't happy with the outcome and referred a complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. She said that UKI had fairly declined his claim. The terms and conditions of the policy didn't cover for the maggot infestation. So, there was nothing further that she could reasonably ask UKI to do.

Mr H didn't accept our investigator's view. He said that the wording of the exclusion clause needed to say either that it doesn't cover woodworm, beetles, moths, in order to exclude all insects. Or the policy should say it doesn't cover woodworm, beetles, moths, flies, maggots and insects to include all insects with the exception of woodworm, beetles, moths, flies and maggots. So, the implication was that maggots are covered under the policy. He asked for a decision from an ombudsman.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I won't be upholding this complaint. I realise this will be a disappointment to Mr H, but I hope my findings go some way in explaining why I've reached this decision.

I should point out that it's our job to look at the evidence provided by both parties and to give an answer to the complaint, that is both fair and impartial. However, it should be noted that we as a service can't dictate to businesses how they run their business as we are not the regulator. Bearing this in mind, Mr H said that his claim was incorrectly declined by UKI due to its loose policy definition.

I have considered the terms and conditions of the policy and what is excluded from cover. The exclusions provide the following:

'This policy doesn't cover

*Just like most insurers **we** don't cover:*

- Wear and tear.*
- Maintenance and routine decoration.*
- Loss or damage as a result of the lack of maintenance and/or routine decoration.*
- Reduction in value.*
- Damage caused by rot, fungus, woodworm, beetles, moths, insects or vermin.*
- The cost of repairing or replacing any item following a mechanical or electrical fault or breakdown, or where it has failed or stopped working despite there being no apparent damage.*
- Damage caused by cleaning, dyeing, renovating, altering, re-styling, repairing or restoring an item.*
- Tearing, scratching, chewing or fouling by any pet or domesticated animal.*
- Any damage caused gradually.*
- Faulty workmanship, faulty design or the use of faulty materials.*
- Items held or used for **business** purposes except those listed as **business equipment** in the definitions.*
- Any loss, damage or legal liability caused, or allowed to be caused, by the deliberate, wilful or malicious act of **you** or any paying guest or tenant.*
- Any loss, damage or legal liability resulting from the illegal acts of **you** or any paying guest or tenant.'*

I have had a thought about what this means, and I think the exclusion clauses are clear. In that the policy doesn't provide cover for damage caused by (amongst other things) insects. The dictionary definition of a maggot is '*a soft legless larva of a fly or other dipterous insect, that often eats decomposing organic matter*'.

UKI said that maggots fall under the heading of insects and as such are excluded under the terms and conditions of the policy. I'm persuaded that maggots are fly larva that develop into flies, which are insects. In addition, I think that it would be unreasonable for UKI to have to list every insect species that is excluded under the policy rather than using a wide-ranging category (such as insects) as it did here. Therefore, I am unable to conclude that UKI unfairly declined Mr H's claim, given the exclusion clause states that damage caused by insects isn't covered under the policy.

I have next considered UKI's actions following the delay in registering Mr H's claim. From the evidence, there was a delay of around 12 days following Mr H making the claim and UKI registering it.

It explained that this breached the guidelines it has in place for the receipt of complaints. It apologised to Mr H for the delay and provided feedback to the relevant department to prevent this happening in the future. I think in the circumstances, that UKI accepted its shortcomings and has adequately reflected upon this by apologising to Mr H. And providing feedback to ensure that repetitions of this nature, will not occur in the future.

Overall, I think UKI has applied the policy terms fairly and I can't reasonably ask it to do anything more to resolve this complaint.

My final decision

For the reasons I have explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 September 2021.

Ayisha Savage
Ombudsman